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Senate Bill 423 (as enrolled)
Sponsor: Senator John Pappageorge
Senate Committee: Education
House Committee: Education

Date Completed: 1-5-15

CONTENT

The bill would amend the Revised School Code to do the following:

- **Require the Department of Technology, Management, and Budget (DTMB) to enter into a contract with a qualified vendor for a statewide cost study to determine sufficient resources per pupil.**
- **Establish conditions that the study would have to satisfy.**
- **Require the DTMB to ensure that the study was completed within one year after the bill's effective date.**
- **Require the DTMB to report the findings of the study to the Legislature, the Governor, and the Legislative Auditor General.**
- **State legislative findings.**

Specifically, the DTMB would have to enter into a contract for a comprehensive statewide cost study to determine the sufficient resources per pupil to provide a public education that enabled a pupil to demonstrate successful completion, in terms of proficiency, of all of the credit requirements of the Michigan Merit standard under Sections 1278a and 1278b of the Code. (Those sections establish credit requirements for a high school diploma, and allow a personal curriculum that modifies some of the Michigan Merit credit requirements.)

The DTMB would have to ensure that the study considered whether public resources being committed to public education were distributed in such a way that all children had an equal opportunity to succeed in school.

The Department also would have to ensure that the study was conducted by a qualified vendor. The vendor would have to have proven experience in using multiple national-level research approaches, including at least all of the following types of analyses: successful school district, professional judgment, and evidence-based. The vendor also would have to have a proven ability to combine the data generated from those research approaches to assess at least all of the following:

- How strongly the identified data or costs were associated with achieving the State's student performance goals, including required proficiency in reading and math, and whether this association was sufficient to establish a cause-and-effect relationship.
- The degree to which the data or costs took into consideration efficiency and lowest possible cost of resource delivery.
- The transparency and reliability of the data generated.
- How well the data could be applied to recognize existing public school and pupil cost pressure differences.

In addition, the DTMB would have to ensure that the study included a determination of the educational resources and related expenditures required to provide a quality elementary and secondary education for each pupil in the public schools. The study would have to include examining exemplary school districts that were high-performing and low-spending districts. As part of this determination, a review of school district efforts in support of public schools would have to be conducted.

Further, the Department would have to ensure that the study included at least all of the following:

- An examination of the potential utility of geographic cost-of-education indexing in the State.
- An investigation of additional categories of funding that could be necessary to meet needs unique to schools and pupils, including: socioeconomic status, limited English proficiency, pupils with special education needs, scarcity and density of population, and issues related to the rural, urban, or suburban nature of the school district.
- An examination of the impact of food service costs, transportation costs, costs associated with community services, adult education costs, school building construction and maintenance and other capital costs, and debt service costs.
- A determination of the cost impact of pupil population growth and decline.

The DTMB would have to ensure that the study was completed within one year after the bill's effective date. The Department would have to develop a request for proposals and award the contract in time for this deadline to be met, as well as include the deadline in the request for proposals and in the contract.

Within 30 days after the study was completed, the DTMB would have to submit a report containing a detailed summary of the study's findings to the Legislature, the Governor, and the Legislative Auditor General.

The bill states legislative findings and declarations concerning the following:

- Constitutional requirements for a system of free public elementary and secondary schools.
- The State's requirement, since at least 1970, for a statewide assessment of educational progress in local public elementary and secondary schools.
- Applicable Federal requirements, including a requirement for students to be proficient and make adequate yearly progress.
- The right of Michigan children to a free, quality, and equitable public education.

Proposed MCL 380.1281a

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would result in costs to the State equal to the cost of the required study. There is no appropriation in the bill, nor is there an estimated costs of the study described in the legislation. The State of Maryland paid \$1,051,100 in 2014 to a contractor from Colorado for a study on the adequacy of education funding in that state, with several components identified for inclusion in that study. Whether the cost to Michigan would be similar is not yet known.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Kathryn Summers

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.